Sale of sick units of NTC

2199. SHRI B. K. HARIPRASAD: Will the Minister of TEXTILES be pleased to state:

(a) whether Government is considering the outright sale of chronically sick units of the National Textiles Corporation Ltd;

(b) if so, whether bid packages have been prepared for Minerva Mills in Bangalore after the due diligence process; and

(c) whether the sale proceeds will be utilised exclusively for settling repayment debts of Minerva Mills and for final settlement of dues to employees including VRS benefits?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) There is no such decision.

(b) Does not apply.

(c) BIFR approved Rehabilitation Schemes for sick subsidiaries of National Textile Corporation to provide for revival of 53 mills and closure of 66 unviable ones after giving VRS to the affected employees. These rehabilitation schemes are to be largely funded by sale proceeds of surplus assets. The sale proceeds are to be used for settlement of the dues of employees, including VRS benefits, servicing of bonds, repayment of secured/pressing creditors and modernisation expenses.

Closure of Jute Mills

2200. SHRI MATILAL SARKAR: Will the Minister of TEXTILES be pleased to state:

(a) how many jute mills have been subjected to closure or lay off from the year 1998 to 2004 and the number of workers who lost jobs as a result thereof;

(b) whether Government have taken steps to revive these mills;

(c) whether it is a fact that the synthetic bags are being preferred to jute made bags for carrying foodgrains and other food materials;

(d) if so, whether such orders will be declared void soon; and

(e) the steps taken by Government to encourage use of jute industrial products?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) Sixty-three jute mills remained/have remained closed for varying periods between 1998 to till date. At present, only 14 jute mills are lying closed. As the closure of these mills is not necessarily permanent, and these get reopened from time to time, there is no estimate of the number of workers who lost their jobs due to such closure.

(b) As per the existing statutory provision, cases of sick jute mills are referred to the Board of Industrial Financial Reconstruction (BIFR), to examine the cases for rehabilitation/revival. Thereafter, the revival scheme of the units are prepared/examined by the Operating Agency appointed by the BIFR which is normally a financial Institution. On receipt of the schemes, BIFR decides the cases of rehabilitation/revival of the individual units.

(c) and (d) For the Jute year 2004-05, ending on 30th June, 2005, the Government has issued an Order dated 28th September, 2004, under the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987, which provides for compulsory packaging of 100% foodgrains and 90% sugar in jute packaging materials.

(e) The Government is encouraging use of jute industrial products through compulsory jute packaging orders under the Jute Packaging Materials (compulsory use in Packing Commodities) Act, 1987, and also by giving emphasis on diversification of jute products through various schemes of the Jute Manufacturers Development Council (JMDC) & the National Centre for Jute Diversification (NCJD).

Textile park at Davangere in Karnataka

2201. SHRI K.B. KRISHNA MURTHY: Will the Minister of TEXTILES be pleased to state:

(a) whether Government are aware that there is vast scope for establishing a textile park in Davangere, Karnataka;

(b) if so, whether there is any proposal to set up a textile park at Davangere, Karnataka, by sanctioning a special package; and

(c) whether Karnataka Government and textile manufacturers of Davangere have approached the Government in this regard?

THE MINISTER OF TEXTILES (SHRI SHANKERSINH VAGHELA): (a) to (c) The Government has not received any project proposal for establising a Textile Park in Davangere, Karnataka.